



For Immediate Release

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Tuesday, February 20, 2007

ENZI SAYS ENHANCED OVERSIGHT NEEDED TO PROTECT MILLIONS IN PRIVATE PENSION SAVINGS

Washington, D.C. - U.S. Senator Mike Enzi (R-WY), Ranking Member of the Senate Health, Education, Labor and Pensions (HELP) Committee, today said the Employee Benefits Security Administration (EBSA) should “re-examine its operations to enhance its capability to protect private pension plans,” and urged the Department of Labor to implement a series of recommendations outlined in a new Government Accountability Office (GAO) report, (GAO-07-22), conducted at his request.

“Effective oversight of the private pension industry’s management of retirement assets is critical to ensuring the economic security of millions of workers, retirees, and their families,” Enzi said Tuesday. “But changes brought about by the ‘Pension Protection Act of 2006,’ and its effect on the investment service industry, further highlight the need for EBSA to re-examine its operations to enhance its capability to protect private pension plans.”

Enzi called attention to the GAO’s findings and his concerns that EBSA must adopt new procedures to protect approximately one-fifth of the United States retirement wealth invested in mutual funds and pension and retirement savings plans in a letter to Secretary of Labor Elaine L. Chao. EBSA is the primary agency responsible for protecting approximately 730,000 private sector pension and retirement savings plans with assets totaling roughly \$4.9 trillion and covering over 100 million participants.

In his letter to Secretary Chao, Enzi noted that while the GAO reports that EBSA has taken actions to strengthen its enforcement program since GAO reported on its activities in 2002, today’s report highlights areas that EBSA has not addressed and “illustrates that certain changes could improve the program’s overall management.”

The GAO report, available at <http://www.gao.gov/new.items/d0722.pdf>, recommends that the Secretary of Labor direct the appropriate offices in EBSA to:

- Evaluate the extent to which it could supplement its current enforcement practices with strategies used by similar enforcement agencies, such as routine compliance examinations and dedicating staff for risk assessment.

- Conduct a formal review to determine the effect of ERISA’s statutory filing deadlines on investigator access to timely information and the likely impact if those deadlines were shortened.
- Establish, where appropriate, formal regional coordination groups with local offices of the Securities Exchange Commission.
- Evaluate the factors affecting staff attrition and take appropriate steps, as necessary.

Enzi’s letter outlined his concern that EBSA investigators, who “generally rely on information that is more than two years old” in targeting potential violations of ERISA (the Employee Retirement Income Security Act) might be jeopardizing the safety of retirement funds for millions of Americans. “DOL needs to make significant progress in making this data timelier,” he wrote.

He also raised concern that EBSA investigators are understaffed, noting that approximately 385 investigators, examiners, or agents are overseeing approximately 3.2 million benefit plans. “That is a ratio of one EBSA employee to every 8,000 regulated plans,” Enzi said. “It’s a ratio that far exceeds that of related agencies such as the Internal Revenue Service or the Securities Exchange Commission, which have ratios of one employee to 3,000 regulated plans and one employee to nine plans, respectively.”

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[A copy of Senator Enzi’s letter is attached]